

CORRECTED FISCAL NOTE

SB 308 - HB 2063

April 13, 2007

SUMMARY OF BILL: Creates the Department of Aging and Disability and transfers the existing duties and employees of the Commission on Aging and Disability to the newly created Department.

ESTIMATED FISCAL IMPACT:

On March 6, 2007, we issued a fiscal note on this bill indicating *a net increase to state expenditures of \$285,000*. Based on additional information received from the Commission on Aging and Disability, the fiscal impact of the bill is as follows:

(Corrected)

Increase State Expenditures – Net Impact - \$92,600

**Other Fiscal Impact – Increase Federal Expenditures – Net Impact -
\$192,400**

Assumptions:


- There would no longer be a Commission that meets quarterly. Such will result in a decrease in expenditures of \$26,455.
- The current salary and benefits for the Executive Director of the Commission on Aging and Disability is \$112,723. The salary and benefits for the Commissioner of Aging and Disability is estimated at \$141,459. The difference in salary and benefits will increase expenditures by \$28,736.
- The new Department will have two Assistant Commissioners with salary and benefits estimated at \$95,604 each resulting in an increase in expenditures of \$191,208.
- Each Assistant Commissioner will employ an Administrative Assistant 1 with salary and benefits estimated at \$40,286 each resulting in an increase in expenditures of \$80,572.
- Computers, printers, and associated supplies for the four additional positions are estimated at \$5,950. Office space rent for the four positions is estimated at \$5,000.

SB 308 - HB 2063 (CORRECTED)

- All existing employees of the Commission will transfer to the Department.
- There will be no additional cost for new office space.
- The total increase in expenditures is estimated to be \$311,466.
- The net increase in expenditures is estimated to be \$285,011.
- Currently, approximately 30% of the Commission's expenditures are included in a federal waiver through the TennCare program. Thirty percent (30%) of the net increase in expenditures, or \$85,504 will be included in the TennCare waiver which receives a 50% federal match for administrative expenditures. Such will result in \$42,752 in state funds and \$42,752 in federal funds.
- The remaining 70%, or \$199,508, will receive the Commission's federal match of 75%. Such will result in an increase in state expenditures of \$49,877 and federal expenditures of \$149,631.
- The total net increase in state expenditures will be \$92,629 and federal expenditures will be \$192,383.
- According to the Commission on Aging and Disability, as the services provided through the TennCare program waiver increase, the percentage of expenditures through the waiver program will increase which will have a fiscal impact on the ratio of state and federal expenditures.
- According to the Governor's FY07-08 Proposed Budget, the Commission on Aging and Disability has 34 full-time employees with an estimated budget of \$38,302,800 for FY06-07. Of this amount, \$9,573,300 is state funds, \$26,595,700 is federal funds, and \$2,133,800 is from other sources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director